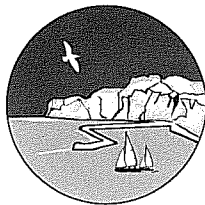


SOUTH COAST



WATER DISTRICT

October 10, 2007

Ms. Jennifer Toney
SWRCB, Division of Financial Assistance
1001 I Street, 16th Floor
Sacramento, CA 95814

Project: Lift Station No. 13 and 14 Rehabilitation
Grantee: South Coast Water District
Grant No: CBIG-276&277
Agreement No: 02-235-550-0

Task: Annual Progress Summary (Task 2.3.1)
Due Date: September 2007

Dear Ms. Toney:

South Coast Water District (SCWD) is submitting this Annual Progress Summary for 2007 to summarize the progress of work, the significant milestones achieved, and the overall project schedule.

Project Description and Summary (Task 6.3):

The State Park Lift Station (LS 13) and Beach Road Lift Station (LS 14) were constructed in the early 1950's and have exceeded their useful life. Both lift stations are located directly on the beach as shown on the attached location map. Based on recent evaluation of these facilities, the South Coast Water District recommended the rehabilitation of both lift stations to upgrade to current electrical codes, increase system reliability, gain additional capacity, and avoid future sewage spills onto surrounding beaches. The additional capacity was required to handle the storm drain flows generated by the City of Dana Point's Storm Drain Diversion system, which are directed to the lift stations during low flow conditions. A Grant Summary Form (hard and electronic copy) summarizing project goals and contract information was submitted to the SWRCB on March 10, 2005 to comply with the requirements of the Proposition 40 (Clean Beach Initiative).

Quality Assurance and Monitoring Plan (Task 1.1 and 1.2):

The main goal of this project was to prevent sewage spills and protect surrounding beaches from pollution. Since this project was not driven by an actual sewage spill, a typical quality assurance and monitoring plan consisting of lab work or field tests is not recommended since results will not be directly correlated or representative or influenced by this project. Also, lab work or field tests will not provide a quantifiable measurement for improvement of site conditions.

In lieu of a typical monitoring plan consisting of lab work and field tests, a quality assurance review for all phases of construction will be provided to assure that the construction complies with the plans and specifications. A construction inspector and manager will summarize all construction activity, describe major deviation from the original design, and confirm that the project was constructed per project plans and specifications. The concept or approach for the Quality Assurance and Monitoring Plan as summarized above was submitted to the SWRCB via email on October 9, 2005. The Monitoring Plan was submitted in October of 2006.

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Annual Progress Summary for 2007 (Continued):

Project Design (Task 2.1.1):

The South Coast Water District (SCWD) advertised and bid the consulting design phase of the project using the District's standard bidding process. Daniel Boyle Engineering was awarded the design service contract for the project in the amount of \$134,000. The design service contract was executed and completed in April of 2004 including the preparation of plans and specifications. However, major revisions and updates to the plans and specifications were made after the initial consulting contract was completed in an effort to reduce project costs and remain within the overall budget for the project. The value engineering effort and subsequent revisions to the design and construction plans added significant costs (\$58,000) to the design of the project. However, the revisions and changes to the plans and specifications will provide substantial cost savings in the construction of proposed facilities. The revised plans and specifications were submitted to the SWRCB on March 10, 2005.

Project Advertising and Bidding (Task 2.1.2):

The SCWD advertised and bid the construction phase of the project using the District's standard bidding process. A copy of the standard Notice to Contractor Request for Bid Proposals and Bid Tabulation Form was submitted to the SWRCB on March 10, 2005.

Construction Contract Award (Task 2.1.3):

The construction services contract of this project was awarded to Vadnais Corporation in the amount of \$862,777 on August 19, 2004. A copy of the standard SCWD Construction Contract and Agreement executed for the project was submitted to the SWRCB on March 10, 2005. The initial bids for the rehabilitation of these sewage lift stations were substantially higher than the contract amount presented above. In an effort to arrive at a more cost effective project, value engineering and review of the design was conducted by District staff, the design engineers (Daniel Boyle Engineering), and the low bid contractor (Vadnais). The current project scope and costs is the culmination of this effort. As part of this review process, the District decided to purchase the telemetry and electrical equipment for this project directly from Tesco Controls in the amount of \$239,400 to reduce overhead or markup charges from the contractor (Vadnais).

Construction Schedule, As-built Drawings, and Photo Documentation (Task 2.2.4):

A copy of the construction schedule was submitted to the SWRCB on March 10, 2005. The construction for the State Park Lift Station (LS 13) began in September of 2005 and was completed at the end of January of 2006. The construction for the Beach Road Lift Station (LS 14) began in February of 2006 and was completed on June 20, 2006. A Notice of Completion for this project was filed in August 2006. As-built drawings and photo documentation were prepared. The design engineer (DBE/Psomas is verifying that the as-built drawings match the actual constructed project.

Annual Progress Summary for 2007 (Continued):

Progress Reports and Invoices (Task 6.1 and 6.2):

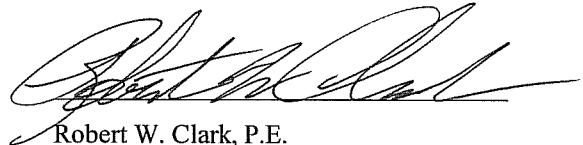
The State Water Resources Control Board (SWRCB) has allocated \$221,500 to the project for grant assistance as part of Proposition 40, the Clean Beach Initiative (CBI) program to protect beaches and coastal areas threatened by pollution. The SWRCB provides reimbursement equal to twenty-five (25) percent of all project expenses (invoices) up to the grant contract amount. South Coast Water District staff (engineering, accounting, and payroll departments) has tracked and monitored all expenses for personnel, consulting, and construction services charged to this job for the preparation of design plans & specifications, for project advertising & bidding, and for the execution of the construction contract. Expenses relating to the construction of proposed facilities were tracked, monitored, and submitted for grant payment request during the construction phase of this project.

If you have questions or comments, please contact Joe Sovella at Extension 3155 or Bob Clark at Extension 3156. Thank you.

Sincerely,



Joseph A. Sovella, P.E.
Director of Engineering



Robert W. Clark, P.E.
Project Manager